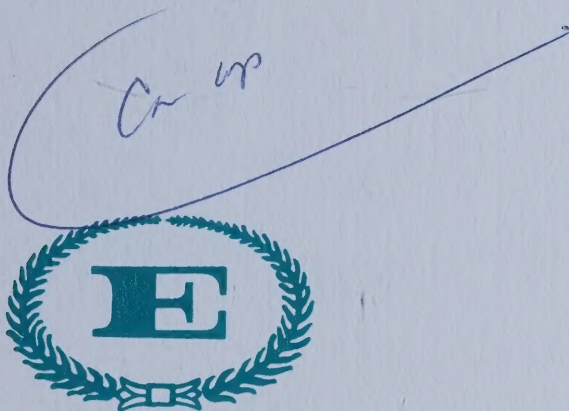


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1969

# Annual Report

**EMPIRE**  
COMPANY LIMITED

STELLARTON  
NOVA SCOTIA



**officers**

FRANK H. SOBEY  
PRESIDENT

WILLIAM M. SOBEY  
VICE PRESIDENT

DONALD R. SOBEY  
SECRETARY

DAVID F. SOBEY  
TREASURER

JAMES GOGAN  
ASSISTANT SECRETARY

**directors**

RALPH B. BRENNAN

J. A. MacMURRAY

EDITH SINCLAIR

DAVID F. SOBEY

DONALD R. SOBEY

FRANK H. SOBEY

HAROLD M. SOBEY

WILLIAM M. SOBEY

ALLAN S. THOMPSON





## directors report

Submitted herewith is the financial statement for the year ending July 31, 1969. Net income after tax was \$190,000, compared to \$135,000 the previous year. In addition, a capital gain on the sale of securities, amounting to \$720,000 was realized and credited to Earned Surplus. Substantial increases were experienced in interest and bank charges, but these costs were offset by receipt of increased dividends and higher earnings of the various divisions.

The profits of the insurance division increased substantially in the past year and the future outlook is bright.

The company has a substantial investment in the automotive field through Atlantic Motors Limited and Amleco Leasing Limited. The former Company operates a Chrysler dealership in Pictou County, while Amleco handles long term car leasing and holds the Avis Rent A Car franchise for Northern Nova Scotia and Prince Edward Island. These subsidiaries operated profitably, but have not been consolidated with the enclosed statements.

In 1967 the company acquired 50% of Newfoundland Amusements Limited, which through a pool arrangement with Famous Players, operates three theatres in St. John's, Newfoundland and an additional theatre is being built in Corner Brook. On October 15, 1969, the company acquired the Spencer interest in Spencer Theatres Limited of Saint John, New Brunswick, which operates nine theatres throughout the Maritime Provinces. Plans are being prepared for a modernization and expansion program.

The Company has substantial investments in real estate in the Atlantic Provinces, through its holdings of Sobey Leased Properties Limited and Halifax Developments Limited.

Sobey Leased Properties Limited has completed approximately \$10,000,000 worth of stores and neighbourhood shopping centres, with additional units in the development and planning stage.

Halifax Developments Limited is presently constructing Scotia Square in Halifax, a \$70,000,000 downtown redevelopment project encompassing a 50 store shopping centre, hotel, apartments and office towers in the centre of the city.

The first three phases of this centre, costing about \$30,000,000 are presently being brought into operation. Although initial income from these real estate developments will be small, the long term growth prospects are extremely encouraging.

On behalf of the Board of Directors, I wish to express my sincere appreciation and gratitude to the employees who made the past fiscal year a success.

Frank H. Sobey

## auditors report

To the Shareholders

We have examined the balance sheet of Empire Company Limited as at July 31, 1969 and the statement of income and retained earnings for the year then ended and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In accordance with Section 110 of the Nova Scotia Companies Act we report that the profits and losses of the subsidiary companies have not been taken into the accounts of the company.

In our opinion and according to the best of our information and the explanations given to us and as shown by the books of the company, the accompanying balance sheet and statement of income and retained earnings are properly drawn up so as to exhibit a true and correct view of the financial position of the company as at July 31, 1969 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

New Glasgow, Nova Scotia  
August 19, 1969

H.R. Doane and Company  
Chartered Accountants

# BALANCE SHEET

(with comparative figures for 1968)

## Assets

	1969	1968
Current		
Cash	\$ 31,741	\$ 20,543
Marketable securities, at cost (Market value 1969 \$10,147,427; 1968 \$9,816,414)	7,085,529	6,795,549
Accounts and notes receivable (Note 1)	63,529	22,571
Loans receivable	957,934	
Advances to subsidiary company — current	410,295	250,000
Prepaid expenses	1,027	
	<u>8,550,055</u>	<u>7,088,663</u>
Investments in and advances to subsidiaries		
Shares	219,253	219,250
Advances	139,137	53,776
	<u>358,390</u>	<u>273,026</u>
Land and equipment (Note 2)	387,929	363,365
	<u><u>\$9,296,374</u></u>	<u><u>\$7,725,054</u></u>

The accompanying notes form part of this statement.

ON BEHALF OF THE BOARD

Frank H. Sobey

Director

Donald R. Sobey

Director

July 31, 1969

(figures)

## Liabilities

	1969	1968
Current		
Bank loans (Note 3)	\$3,321,664	\$2,458,404
Loans payable	200,000	250,937
Accounts payable and accrued liabilities	62,886	107,026
Income taxes payable	5,609	6,792
Notes payable - current portion	53,572	53,572
Deferred income taxes (Note 4)	12,907	
	<u>3,656,638</u>	<u>2,876,731</u>
Notes payable - long term	<u>2,517,891</u>	<u>2,571,463</u>

## Shareholders' Equity

Capital stock		
Authorized		
200,000 5½ % cumulative redeemable preferred shares with par value of \$25 each		
160,000 6% non-cumulative voting redeemable second preferred shares with par value of \$.01 each		
100,000 common shares with par value of \$1 each		
Issued and fully paid		
40,000 5½ % cumulative redeemable preferred shares 1965 series	1,000,000	1,000,000
160,000 6% non-cumulative voting redeemable second preferred shares	1,600	1,600
100,000 common shares	<u>100,000</u>	<u>100,000</u>
	1,101,600	1,101,600
Retained earnings	<u>2,020,245</u>	<u>1,175,260</u>
	<u>3,121,845</u>	<u>2,276,860</u>
	<u>\$9,296,374</u>	<u>\$7,725,054</u>
Contingent liabilities (note 5)		



# Statement of Income & Retained Earnings

YEAR ENDED JULY 31, 1969

(with comparative figures)

	1969	1968
Income for the year, before taking into account the undermentioned items	\$ 393,153	\$ 295,940
Expenses		
Audit, accounting and legal	2,105	1,235
Depreciation	6,307	166
Directors' fees	4,500	4,500
Interest and bank charges	171,803	147,836
	184,715	153,737
Net income before income taxes	208,438	142,203
Provision for income taxes	18,516	6,792
Net income	189,922	135,411
Retained earnings, August 1	1,175,260	847,822
Capital profit on sale of securities	720,063	268,092
	2,085,245	1,249,325
Dividends paid	65,000	55,000
Loss on closing out of Handy Andy Division		19,065
	65,000	74,065
Retained earnings, July 31	\$2,020,245	\$1,175,260



# Statement of Investments

YEAR ENDED JULY 31, 1969

Quantity		Market Value
129,408	Canadian Salt Company	\$ 2,199,936
500	Crown Life Insurance	14,000
40,000	Dominion Textiles	550,000
71,874	Fraser Companies	1,635,134
200	Famous Players	2,850
138,500	Halifax Developments	290,850
5,000	Maher Shoes	140,000
83,550	Molson Industries - Class A	1,671,650
800	Molson Industries - Class B	16,600
2,000	Molson Industries - Class C	39,350
22,000	National Sea Products	154,000
41,000	Sobey Leased Properties (Note 1)	1,200,000
150,000	Sobeys Stores -Class A	1,050,000
520	Stanfield's - Class B	18,720
7,000	Trans Mountain Oil Pipe Lines	105,000
57,068	Warnock Hersey International	527,879
10,000	Westeel Rosco	132,500
		<hr/>
		9,748,469
Investments not listed in a recognized stock exchange		<hr/>
		398,958
		<hr/>
		\$10,147,427
		<hr/>

Note 1      Subsequent to the date of this statement, the shares of Sobey Leased Properties Ltd. were split six for one so that current holdings are 246,000 common shares.

# Notes to Financial Statements

JULY 31, 1969

## 1. Accounts and notes receivable

	1969	1968
Trade accounts	\$ 9,232	\$ 4,689
Insurance accounts	24,872	17,882
Advances	4,643	
Other	24,782	
	<u>\$63,529</u>	<u>\$22,571</u>

## 2. Land and equipment

	1969		1968
	Cost	Accumulated Depreciation	Net Book Value
Land	\$362,701		\$362,701
Furniture and fixtures	31,908	\$6,680	25,228
	<u>\$394,609</u>	<u>\$6,680</u>	<u>\$387,929</u>
			<u>\$363,365</u>

## 3. Bank loans

The bank loans are secured by marketable securities.

## 4. Deferred income tax

Deferred tax recorded relates to insurance commission income deferred for income tax purposes.

## 5. Contingencies

(a) Bank loans of unconsolidated subsidiaries, outstanding on July 31, 1969, in the amount of \$360,000 are fully guaranteed by the Company.

(b) The Company has guaranteed, to the extent of \$1,000,000 the guarantee by Crombie Investments Limited, a wholly owned subsidiary, to Halifax **Developments Limited**.

(c) Presently under dispute is an income tax reassessment for the years 1965 and 1966 in the amount of \$29,391.

(d) The Company has participated in a guarantee on construction costs to the extent of \$250,000 relating to Halifax **Developments Limited**.

## 6. Purchase commitments

The Company had outstanding commitments as at July 31, 1969 which will require, during the next fiscal year, the outlay of \$340,000 for the purchase of debt securities of Halifax **Developments Limited**.





